



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 29, 2016

Certified Return Receipt
7015 0640 0001 4528 8144

Scott Bakken
Energy Fuels Resources (USA)
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Surety Escalation Submittal Extension; Energy Fuels Resources (USA) Inc.; Rim-Columbus, Pandora, La Sal-Snowball, Energy Queen, Daneros and Redd Block IV mines; M/037/0006, M/037/0012, M/037/0026, M/037/0043, S/037/0121 and M/037/0046 respectively; San Juan County, Utah

Dear Mr. Bakken:

Subsequent to our meeting held June 22, 2016, staff and management of the Division of Oil, Gas and Mining have discussed the matter of labor costs associated with reclamation, and this has raised questions about other aspects of the reclamation costs. The Division needs to conduct a more in-depth evaluation of these issues since they have implications state-wide. Once we have completed the evaluation and made a decision on how to address this issue, we will inform Energy Fuels in writing of the Division's decision.

Realizing that this evaluation will take some time, the Division will not require adherence to previous time deadlines for submittal of the next surety calculations for the periodic escalation evaluations underway for the permits listed above. The Division will grant an extension for the next round of submittals to 30 days after we have notified you of our decision.

In the mean time, we recommend that Energy Fuels complete the calculations to the extent possible. This would hopefully allow you to simply insert the finalized figures for labor costs to complete the reclamation cost estimates.

Please call Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have further questions.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:mpb:pb

P:\GROUPS\MINERALS\WP\M037-SanJuan\M0370026-LaSalSnowballMines\Final\ltr-06282016.doc

